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ASX Release

APPENDIX 4C – 31 MARCH 2021 QUARTERLY ACTIVITIES & CASHFLOW REPORT

Highlights:

- *Product development continued to progress positively with improvements in both hardware and software, including two important software advancements; dielectric map imaging and pulsatility.*
- *Keysight customized and miniaturized VNA will now be incorporated within the headset. This is a significant advancement in a relatively short period of time.*
- *The Australian Stroke Alliance ("ASA") was successful in its competitive Medical Research Future Fund ("MRFF") bid to transform pre-hospital stroke care, of which EMVision is a key commercial collaborator. The ASA has advised EMVision that it will receive $8 million in non-dilutive cash funding anticipated to be weighted to the earlier years of the 5-year program. EMVision anticipates executing its Project Agreement with the ASA in the near term, and to start accessing the grant funding in the coming months.*
- *$11.1 million of cash reserves as at 31 March 2021.*

EMVision Medical Devices Limited (ASX: EMV) ("EMVision" or the "Company") is pleased to lodge the following update and attached Appendix 4C Quarterly Cashflow Report for the 9-month period ended 31 March 2021.

In partnership with The University of Queensland (UQ), EMVision is developing and commercialising medical imaging diagnostics for various disease states and medical emergencies. The Company's primary focus is a portable, cost effective, non-invasive brain scanner to monitor and help with the diagnosis of brain injuries and stroke by creating rapid images of the brain.

Key activities undertaken during the quarter are outlined below:

Product development update

Product development continued to progress positively throughout the quarter with improvements in both hardware and software. Significant advancements have been made to the design and manufacturing processes of the antennas. This has resulted in improvements to antenna performance and yield. This is critical as the antennas are a core component of the device responsible for the transmission and receiving of signals used to reconstruct images.

The development of accessories and consumables has progressed positively through the quarter, including the development of a unique consumable. Within the headset is a membrane that inflates and deflates to accommodate different head sizes. Within that membrane is a coupling media (conductive material), which performs a similar function to ultrasound gel which is used to improve ultrasound image quality. This coupling medium is a proprietary consumable developed in-house for electromagnetic medical imaging applications that may compliment other consumables and offer an incremental recurring revenue opportunity in the future.

We continue to grow our capability across design, mechanical, software engineering, and manufacturing expertise. We have recruited best in class team members who interact very well with our collaborators at the University of Queensland (UQ) and the Princess Alexandra Hospital (PAH)

Subsequent to the end of the quarter, the Company was pleased to report two important product development (software) advancements; dielectric map imaging and pulsatility. Dielectric mapping has shown potential to provide high fidelity anatomical detail to clinicians to assist in assessing stroke impact, and Pulsatility has potential to assist in diagnosis of Large Vessel Occlusion ("LVO") ischaemic strokes suitable for thrombectomy (clot retrieval). Please refer to the Company's ASX announcement titled "Breakthroughs in Technology & Product Development" released on the 28th of April for further details.

As previously advised, the Company intends to enrol an additional 20 stroke patients with the prototype at PAH, to further inform algorithm advancements in parallel with its product development activities and multi-site clinical study preparation. This enrolment is ongoing and the Company expects to provide updates to the market as it reaches further relevant product development and clinical validation milestones.

Keysight Technologies (NYSE:KEYS) collaboration update

To accelerate EMVision's product development, in April 2019 the Company signed a Memorandum of Understanding with US-based technology company Keysight Technologies (NYSE:KEYS) to collaborate on a new generation of vector network analysis (VNA) units for the healthcare market, a key measurement component in EMVision's portable brain scanner.

The headset design for EMVision's 1st generation portable brain scanner intended for commercialization now incorporates the customized and miniaturized VNA within the headset. VNA integration into the headset, brings with it several performance advantages as well as cost savings (including removing the need for expensive cables) and usability improvements. This development is also an important step looking towards future road/air ambulance models of the device. This is a significant advance in a relatively short period of time, made possible due the collaborative nature of the Keysight relationship.

Australian Stroke Alliance update

During the quarter, EMVision was please to advise that the Australian Stroke Alliance (ASA), of which EMVision is a key commercial collaborator, was successful in its competitive medical research future fund (MRFF) bid to transform pre-hospital stroke care.

EMVision has been advised by the ASA that it will receive $8 million in non-dilutive cash funding in staged payments weighted to the earlier years of the 5- year program. The funding will support EMVision's development and clinical validation of its first responder model for air and road ambulances well as confirmation of EMV's portable brain scanner's diagnostic capabilities in the hospital environment. The ASA provides EMVision with invaluable global clinical connectivity, expertise, and advocacy, including support from the leading minds in stroke care, paramedic services across Australia as well as the Royal Flying Doctor Service.

EMVision will retain sole IP rights over the course of the program and in recognition of funding and the clinical expertise will negotiate with the ASA an appropriate revenue stream with respect to Australian road and air ambulance sales on standard commercial terms.

Any funding advanced is contingent on the ASA executing a Funding Agreement with the MRFF, EMVision executing a Project Agreement with the ASA and satisfaction of conditions to be agreed with the ASA, including that the project is progressing in a manner that warrants continued funding at each stage. EMVision anticipates executing its agreement with the ASA in the near term, and to start accessing the grant funding in the coming months.

The team has been collaborating closely with the ASA team – which includes some of the brightest minds in stroke, with preparation underway for the development of our multi-site clinical trial protocol. The protocol will include key elements such as the study objectives, design, methodology as well as statistical considerations. This study is expected to be partly supported by ASA MRFF grant funds. (Please refer to the Company's ASX announcement titled "Successful MRFF Bid" released on the 2nd of March for further details).

Commercial Discussions

EMVision continues to engage in commercial discussions with some of the most senior executives at some of the world's largest medical imaging and device companies. The enthusiasm across all areas of these businesses – commercial, product, engineering, R&D and clinical has been positive and motivating. Most importantly, our unique value proposition may add significantly value to their product offerings.

Cashflow commentary

The Company had net cash operating outflows for the quarter of $2.024 million and cash reserves of $11.131 million as at 31 March 2021 after the receipt of $0.076 million in Cooperative Research Centre project (CRC-P) grant and participant funding and $0.012 million of interest income.

Operating payments to suppliers and employees excluding GST in the quarter totalled $2.052 million (Dec 20 quarter: $1.254 million) an increase of $0.770 million compared to the prior quarter. These payments included expenditure on research and development (R&D) activities totalling $1.013 million (Dec 20 quarter: $0.519 million), staff costs (including research and development employees) totalling $0.675 million (Dec 20 quarter: $0.498 million) and corporate administration costs of $0.364 million (Dec 20 quarter: $0.237 million).

R&D expenditure includes payments to third party research and engineering contractors as well as components and materials for the Company's prototype devices and ongoing product development. The increase in R&D expenditure compared to the prior quarter is due to the payment of six months services for a key R&D contractor as well as costs associated with establishing the in-house product development team and lab facilities. The increase in staff and corporate costs compared to the prior quarter is largely due to additional employees hired in key product development specialties and the establishment of the Company's office and lab facilities in Sydney. Whilst our in-house team is growing, we have been able to reduce our reliance on more expensive external contract services from the end of April 2021, ensuring we continue to manage our cash prudently.

EMVision was awarded a $2.6 million CRC-P grant from the Government of the Commonwealth of Australia in late 2017. The CRC-P also includes grant participant partners GE Healthcare, a US$19 billion healthcare business of GE (NYSE:GE), The University of Queensland and The Queensland Government Metro South Hospital & Health Service operating at the Princess Alexandra Hospital. These partners committed to provide a further $0.910 million in grant funds to EMVision. To 31 March 2021, the Company has received $2.360 million from the government and $0.550 million from grant participant partners, remaining funding under the CRC-P totalling $0.600 million is expected to be received by end of calendar year 2021.

The Company had net financing cash outflows for the quarter of $0.017 million being share issues costs relating to option exercises and shares being released from escrow.

As required by ASX Listing Rule 4.7C3, the Company notes that $0.215 million was paid to related parties during the quarter (as noted in section 6 of the attached Appendix 4C) and these payments were salaries, fees and superannuation paid to Directors.

Authorised for release by the Board of the Company.

[ENDS]

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About EMVision Medical Devices

EMVision Medical Devices Limited is focused on the development and commercialisation of medical imaging technology. The Company is developing and seeking to commercialise a potentially cost effective, portable, medical imaging device using electromagnetic microwave imaging for diagnosis and monitoring of stroke and other medical applications. The technology is the result of over 10 years of development by researchers at the University of Queensland. The team of approximately 20 researchers is led by co-inventor Professor Amin Abbosh, who is considered a global leader in electromagnetic microwave imaging. EMVision's Chief Scientific Officer is Professor Stuart Crozier, who is a co-inventor and globally renowned for creating technology central to most MRI machines manufactured since 1997. EMVision's CEO, Dr Ron Weinberger, is the Former Executive Director and CEO of Nanosonics' (ASX:NAN), a $1.9 billion market cap healthcare company. Dr Weinberger has over 25-years' experience developing and commercialising medical devices. During his time at Nanosonics, Dr Weinberger co-developed the company's platform technology and launched their breakthrough product 'Trophon' globally, which would go on to become the gold standard for infection prevention. Dr Weinberger was instrumental in transforming Nanosonics from a research and development company to one of Australia's leading medical device commercialisation success stories.

Forward-looking Statements

This release may contain certain forward-looking statements with respect to matters including but not limited to the financial condition, results of operations and business of EMVision and certain of the plans and objectives of EMVision with respect to these items. These forward-looking statements are not historical facts but rather are based on EMVision's current expectations, estimates and projections about the industry in which EMvision operates, and its beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates", "guidance" and similar expressions are intended to identify forward looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the endeavour of building a business around such products and services. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of EMVision, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward looking statements. EMVision cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of EMVision only as of the date of this release. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. EMVision will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

Inherent risks of Investment in Medical Device development Companies

There are a number of inherent risks associated with the development of new medical device products to a marketable stage. The clinical trial process, which is often lengthy, is designed to assess the safety and efficacy of a device prior to commercialisation and there is no guarantee of achieving the outcomes necessary to generate a viable commercial product. Other risks include uncertainty of patent protection and proprietary rights, the obtaining of necessary regulatory authority approvals and the evolving competitive landscape. Companies such as EMVision are dependent on the success of their research and development projects, product development and on the ability to attract funding to support these activities. Investment in research and development and novel product development cannot be assessed on the same fundamentals as trading and manufacturing enterprises. Therefore investment in Companies specialising in such development must be regarded as speculative. EMVision recommends that professional investment advice be sought prior to such investments and cautions investors that the risks of an investment in an entity such as EMVision is not limited to the risks disclosed in this announcement.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

EMVISION MEDICAL DEVICES LTD

ABN	**Quarter ended ("current quarter")**
38 620 388 230	31 MARCH 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
	- CRC-P participant contributions	46	138
1.2	Payments for		
	(a) research and development	(1,013)	(2,362)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs including research and development staff	(675)	(1,538)
	(f) administration and corporate costs	(364)	(800)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	39
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives		
	- R&D Tax Incentive rebate	-	1,281
	- CRC-P grant income	30	251
	- Covid-19 cash boost payment	-	50
1.8	Other (provide details if material)		
	- Net GST received / (paid)	(60)	(82)
1.9	**Net cash from / (used in) operating activities**	**(2,024)**	**(2,987)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	9,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	320
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(17)	(608)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(17)**	**8,712**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**13,172**	**5,406**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,024)	(2,987)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	8,712
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**11,131**	**11,131**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	2,955	5,034
5.2	Call deposits	8,026	8,016
5.3	Bank overdrafts	(30)	(8)
5.4	Other - term deposit for bank guarantees	180	130
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	11,131	13,172

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	215
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

- Salary, Director fees and superannuation paid to Directors ($215k)

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,024)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	11,131
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	11,131
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	5.5

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021.....

Authorised by: ..By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.